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Testimony of Stan Sorkin

President, Connecticut Food Association

In Opposition to HB 6498

Chairman Staples, Chairman Daily and Members of the Finance Committee. My name is Stan Sorkin, President of the Connecticut Food Association. Our Association provides policy advice, research, legislative and regulatory services to the grocery industry in the state. I am here today to testify in **opposition to HB 6498, An Act Concerning the Sales and Use Tax Rate.**

While we recognize the fact that Connecticut is facing a substantial budget deficit, an increase in the Connecticut's Sales and Use Tax from the current 6% to 7% would have a negative effect on sales in the supermarket industry. We should be looking for policies to stimulate economic activity and not looking at increasing taxes which would have the opposite effect. Raising the sales tax would further slow consumer spending in this recessionary climate, cause retail sales to fall, and thus have the unintended consequence of a potential decline in both sales tax revenue and income tax revenues. Moreover, it would lead Connecticut consumers to do their shopping in cross boarder states such as Massachusetts which currently has a 5% sales tax, which only compounds the problem. The Connecticut Food Association asks that you weigh all economic factors before taking the drastic step of increasing the Sales and Use Tax to 7%.